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May 8, 2015

TO: Supervisor Michael D. Antonovich, Mayor
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Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: John Naimo
Auditor-Controller

A handwritten signature in blue ink, reading "John Naimo", is written over the printed name and title.

SUBJECT: **DEPARTMENT OF CHILDREN AND FAMILY SERVICES – PUBLIC
TRANSIT PASSES AND TOKENS REVIEW**

We completed a review of the Department of Children and Family Services' (DCFS or Department) controls over its public transit passes/tokens. The Department provides transit passes/tokens at each of its 19 regional offices to eligible clients who need transportation for counseling, school, family visitations, etc. During Fiscal Year (FY) 2012-13, DCFS issued approximately \$12 million in transit passes/tokens. We began our review during FY 2013-14 and presented our findings to DCFS management in April 2014. The Department's response is attached and indicates general agreement with most of our findings and recommendations, and describes actions they have taken or plan to take to implement our recommendations.

Transit passes/tokens are considered cash equivalents, and should be safeguarded in the same manner as cash to prevent theft or misuse. The purpose of our review was to ensure DCFS safeguards their inventory of transit passes/tokens and that the transit passes/tokens are issued to eligible clients. As part of our review, we reviewed the Department's procedures for issuing transit passes/tokens, interviewed staff and clients, and visited several regional offices to evaluate internal controls and determine staff's compliance with the procedures for issuing transit passes/tokens. We also analyzed information received from the Metropolitan Transit Authority (MTA) to determine areas for improvement.

Results of Review

Our review disclosed significant deficiencies in the Department's accountability for transit passes/tokens, including a lack of critical internal controls and recordkeeping which could result in County funds being misappropriated without detection. During our review, we referred several issues to the Auditor-Controller's Office of County Investigations (OCI) for their review. However, due to the lack of accountability and poor internal controls, OCI was unable to conclude whether County funds were misappropriated. Following are examples of the deficiencies we noted:

- **During a four-month period, transit passes valued at \$160,000 expired without being distributed to clients, and an additional \$411,000 in transit passes may have expired without being used.**

We verified that during a four-month period, DCFS regional offices never distributed 1,906 transit passes valued at \$160,000. We also reviewed MTA usage records for the same four months and noted that an additional 4,818 transit passes valued at \$411,000 may have expired without being used. Based on our findings throughout this review, it is unlikely that all 4,818 of the transit passes were distributed to clients.

DCFS' response – DCFS' attached response indicates that some of the "assumptions" about unused transit passes contained in our report are questionable based on their meeting with the MTA.

Auditor's response – DCFS records substantiate that \$160,000 in transit passes were not distributed to clients. Furthermore, since MTA usage represents approximately 88% of bus ridership, it is unlikely that the additional \$411,000 in unused passes that had no activity were distributed to clients who only traveled on bus lines that cannot record usage.

- **Children's Social Workers (CSWs) do not adequately secure transit passes/tokens** – We noted that a number of employees maintained transit passes/tokens on their desks, in unlocked drawers and overhead cabinets, in purses/computer bags, etc. In one regional office, we noted 38 unused transit passes, totaling \$2,300, in an inbox accessible to all office employees.
- **Regional offices do not maintain perpetual inventory records, and do not accurately complete reconciliation forms** – None of the seven regional offices we visited maintain perpetual inventory records of transit passes/tokens. The regional offices also do not conduct monthly physical inventory counts, as required, or accurately complete monthly reconciliations. For example, one office's reconciliation showed an ending balance of 6,452 tokens, but their

beginning balance for the following month was 2,972 tokens. Regional office staff could not explain this discrepancy.

- **CSWs approve their own requests** – DCFS policies require a supervisor to approve transit pass/token request forms. Based on a sample of 20 employees' request forms, we noted that two (10%) approved their own requests on multiple occasions.

DCFS' response – DCFS' attached response pertaining to internal control deficiencies we identified indicates that they revised and re-issued two existing policies and plans to re-distribute these policies annually to remind staff of transit pass/token requirements. DCFS also indicates that the Department's executive management and Internal Controls Section met with staff of the audited offices to discuss the recommendations and instructed staff to correct the relevant deficiencies cited in our report. In addition, DCFS indicates that staff identified in our report were provided with training.

Auditor's response – DCFS needs to provide an implementation plan with timelines that extend beyond issuance or reissuance of policies, and establish effective ongoing Department-wide monitoring to ensure sustained staff compliance. In addition, our audit procedures were directed at several judgmentally selected offices, but our findings and recommendations are applicable to all DCFS offices. DCFS needs to ensure all regional offices receive the same information and training, and that one consistent corrective action plan is implemented Department-wide for each finding.

Verification of Client Receipt

- **Thirteen (20%) of the 65 clients that DCFS reported as being issued transit passes/tokens indicated that they did not receive any or all of the transit passes/tokens** – For example, one guardian indicated that the child in their care had not received any transit passes for six months. The CSW subsequently admitted that he had given the child's transit passes to other clients. He could not recall who actually received the passes, but he claimed that he did not "keep or sell them."
- **EZ passes are not always distributed timely** – We reviewed 24 EZ pass requests and noted that 12 were issued an average of 14 days after the month began, even though the requests had been submitted at or before the beginning of the month.
- **DCFS regional offices maintain excessive inventories of transit tokens** – We reviewed transit token purchases and distribution records for three regional offices, and noted that all three offices consistently ordered significantly more

tokens than needed. For example, in June 2013, one office with an inventory of 44,630 tokens on-hand, ordered 32,000 additional tokens. This office only distributed 21,710 (28%) of the 76,630 tokens available.

DCFS' attached response indicates that they plan to reduce their transit token orders by 75% of the amount returned by the regional offices.

Acknowledgement

We thank DCFS management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:RS:YK

Attachments

c: Sachi A. Hamai, Interim Chief Executive Officer
Philip L. Browning, Director, DCFS
Public Information Office
Audit Committee

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
PUBLIC TRANSIT PASSES AND TOKENS REVIEW**

Background

The Department of Children and Family Services (DCFS or Department) provides public transit passes and tokens to eligible clients who need transportation for counseling, school, family visitations, etc. All 19 DCFS regional offices issue transit passes/tokens to their clients, and the offices are responsible for requesting, receiving, issuing, and reconciling the transit passes/tokens. Transit passes/tokens are considered cash equivalents because they are used like cash for transit services, and are readily convertible to cash.

DCFS' Procurement Section submits requisitions for transit passes/tokens through the Auditor-Controller's (A-C) Disbursements Division (Disbursements). Upon verifying an authorized representative made the request, Disbursements approves DCFS representatives to pick-up the transit passes/tokens at the Metropolitan Transit Authority (MTA) headquarters. During Fiscal Year (FY) 2012-13, DCFS' transit pass/token purchases totaled approximately \$12 million.

Scope

We reviewed DCFS' compliance with applicable County and Departmental policies and procedures related to transit passes/tokens. We reviewed a sample of transit passes/tokens issued, interviewed staff and clients, visited seven regional offices to evaluate their internal controls, and analyzed information maintained by the MTA.

Management Oversight

Throughout our review, we noted a number of significant deficiencies in the Department's handling of transit passes/tokens, including a lack of critical internal controls and recordkeeping. These deficiencies resulted in a lack of accountability and could have resulted in misappropriation of County funds going undetected.

It appears these deficiencies may be attributable to inadequate management oversight, staff negligence, and insufficient knowledge of proper internal controls over cash equivalents. Similar types of findings were noted during our review of the Department's use of gift cards in 2007. DCFS management needs to implement the recommendations in this report to safeguard transit passes/tokens, and to ensure that the Department complies with County and Departmental fiscal policies and procedures.

Recommendations

Department of Children and Family Services management:

1. **Increase the level of management oversight over its transit passes and tokens to ensure staff comply with County and Departmental fiscal policies and procedures.**
2. **Provide internal controls training related to handling cash equivalents for all applicable staff, conduct ongoing monitoring of staff for compliance, and take appropriate disciplinary action for staff who do not follow required policies and procedures.**

Internal Controls

As noted above, transit passes and tokens are considered cash equivalents, and should be safeguarded in the same manner as cash to prevent theft or misuse, as required by the County Fiscal Manual (CFM) Section 1.1.3. The CFM states that departments need to adopt policies to ensure accountability over cash equivalents including maintaining detailed logs to document the current inventory balance, the date of usage, amounts issued, and the name and signature of the user. CFM Section 5.2.6 requires perpetual inventory controls to be established for large inventories to the greatest extent practicable. The CFM also requires adequate physical security, and proper separation of duties in key areas (e.g., receiving, receipting, reconciling, etc.).

We visited seven DCFS regional offices to assess their internal controls. Monthly, each office purchases transit passes/tokens valued from between \$28,380 to \$113,850. Throughout our review, we noted significant internal control and recordkeeping issues at all of the regional offices we visited. These deficiencies result in a lack of accountability and could have resulted in misappropriation of County funds going undetected. We noted the following internal control related issues:

- **Children's Social Workers (CSWs) do not adequately secure transit passes/tokens** – CSWs receive transit passes/tokens from Transportation Clerks and maintain them until they are issued to clients. We met with 20 CSWs and found that 18 (90%) do not adequately secure their transit passes/tokens. For example, they maintain transit passes/tokens on their desks, in unlocked drawers and overhead cabinets, in purses/computer bags, etc. In one regional office, we noted 38 unused transit passes, totaling \$2,300, in an inbox accessible to all office employees.
- **CSWs are unable to locate some transit passes/tokens they receive** – We met with 20 CSWs to ensure they could account for all transit passes/tokens they recently received. Six (30%) of the 20 CSWs could not locate transit passes/tokens valued at \$764.40. One CSW indicated that she left the transit passes/tokens in her vehicle, but when we requested to see them, she indicated that they were left in her

spouse's vehicle. The remaining five CSWs did not realize they were missing transit passes/tokens, and indicated that they may not have received all of the transit passes/tokens they had signed for. Some CSWs admitted that they do not verify the number of transit passes/tokens they receive.

- **Regional offices transport transit passes/tokens without proper security/documentation** – Some regional offices transport transit passes/tokens to other DCFS offices in envelopes or boxes instead of locked bags, as required. For example, one regional office receives transit passes valued at approximately \$31,000 in envelopes from another office each month. In addition, the transfers between the offices are not always documented, and the offices receiving the transit passes/tokens do not count or sign for the items received.
- **Regional offices do not always safeguard safe combinations** – The regional offices use safes to store transit passes/tokens. However, we noted instances where staff kept safe combinations on their desks, viewable by other employees.
- **Regional offices do not maintain perpetual inventory records** – Despite the significant quantities of transit passes/tokens purchased and distributed each month, none of the seven regional offices we visited maintain perpetual inventory records of transit passes/tokens. As a result, the regional offices are unable to readily determine inventory on hand, or identify discrepancies. The offices also do not conduct monthly physical inventory counts, as required by DCFS' policy.
- **Regional offices do not accurately complete reconciliation forms** – The regional offices are required to prepare a reconciliation form monthly to account for all transit passes/tokens received, issued, and returned. Although the offices prepared monthly reconciliations, we noted numerous errors. For example, one office's reconciliation showed an ending balance of 6,452 tokens, but their beginning balance for the following month was 2,972 tokens. Regional office staff could not explain this discrepancy. In another instance, one office ordered and received 2,000 tokens, but the reconciliation showed 3,000 tokens. In addition, we noted missing approvals on reconciliations, and an instance where a reconciliation form was approved before it was completed.
- **Regional offices do not complete reconciliations on time** – The regional offices are required to submit reconciliations to DCFS' Fiscal Services by the 10th of the following month. We reviewed 32 reconciliations and noted that 16 (50%) were submitted an average of 16 days late. We also found that three of the offices had not submitted reconciliations for over three months.

In accordance with CFM Section 1.1.3, departments are required to have proper separation of duties in key areas. However, at three of the regional offices, one employee orders, receives, and reconciles the transit passes/tokens. Without perpetual inventory records, physical inventory counts, accurate reconciliations, proper separation of duties, and appropriate oversight, DCFS cannot detect if transit passes/tokens are

misappropriated. DCFS must ensure that transit passes/tokens are safeguarded in the same manner as cash, and improve accountability in all areas to ensure compliance.

Recommendations

Department of Children and Family Services management:

- 3. Ensure staff adequately secure transit passes/tokens at all times.**
- 4. Ensure regional offices securely transport transit passes/tokens, and ensure that all transfers are approved and documented.**
- 5. Require staff to attest to the quantity of transit passes/tokens released and received by signing a transfer document each time responsibility for passes/tokens transfers from one person to another.**
- 6. Require regional office staff to safeguard safe combinations.**
- 7. Ensure regional offices maintain perpetual inventory records and have personnel with no other transit pass/token handling responsibilities conduct a physical inventory at the end of each month.**
- 8. Ensure staff are trained to properly complete transit pass/token reconciliations, and monitor to ensure accuracy.**
- 9. Ensure reconciliations are completed timely, and reviewed/approved by appropriate personnel.**
- 10. Ensure regional offices have proper separation of duties for handling transit passes/tokens.**

Transit Pass and Token Requests, Issuances, and Documentation

CSWs are required to complete the DCFS 63 form (Service-Funded Activity Transportation Request & Receipt Form) when requesting transit passes/tokens. The DCFS 63 form includes client information, items requested, quantity provided, etc. CSWs are required to attach a court order or case plan to the DCFS 63 form, which supports each client's eligibility. DCFS 63 forms must be approved by each CSW's respective supervisor, and subsequently reviewed by Transportation Clerks for completeness, approvals, etc., before transit passes/tokens are distributed to CSWs. Transportation Clerks are required to document all transit pass/token distributions in a log, and CSWs are required to sign the log when they receive transit passes/tokens. CSWs are subsequently required to return DCFS 63 forms after they obtain client signatures verifying receipt.

We reviewed various DCFS documents related to transit pass/token requests and issuances, and noted the following:

- **CSWs do not always attach required eligibility documents to DCFS 63 forms –** We reviewed 55 DCFS 63 forms and noted that six (11%) did not have a court order or case plan attached to support the client's eligibility. We also noted one case plan without a client name. In addition, we noted instances where transit passes or tokens were provided to children under the age of five who were eligible to ride public transit for free.
- **CSWs approve their own requests –** As indicated above, CSWs are required to obtain supervisor approval on the DCFS 63 form when they request transit passes/tokens. We reviewed 20 CSWs' DCFS 63 forms and noted that two (10%) approved their own requests on multiple occasions. We reviewed one CSW's DCFS 63 forms over a three month period and noted that the CSW approved all 34 requests himself. The CSW's supervisor indicated that she was not aware that the employee was signing on her behalf. This CSW's clients confirmed that they received their transit passes/tokens. We confirmed with the supervisor of the second CSW case that someone appeared to have signed her name on the approvals. The CSW could not recall who signed the DCFS 63 form. We interviewed this CSW's clients, and one client indicated that she did not receive any transit passes/tokens for the last two months. We referred this matter to the A-C's Office of County Investigations (OCI).
- **CSWs request and receive transit passes/tokens for a specific client but issue them to another client –** Each transit pass/token request is for a specific client, which must be justified with a court order or case plan, as noted above. However, we noted six instances where CSWs requested and received transit passes for eligible clients, but issued them to different clients. No DCFS 63 form was completed for the clients who received the transit passes. In these cases, the CSWs obtained the signature of the client that actually received the pass, rather than the client who was determined eligible for the transit passes. Therefore, we could not determine if the clients who received the transit passes were eligible to receive them. We also found a case where a child had not received transit passes for over six months. The child's CSW claimed he gave the passes to other clients, but he could not remember which clients actually received them. Details related to this case are discussed in the Verification of Client Receipt Section below. We referred this matter to the A-C's OCI.
- **CSWs do not always return DCFS 63 forms verifying clients' receipt –** We reviewed transit pass/token logs for two offices for a two-month period and noted that CSWs did not return over 1,100 DCFS 63 forms. We followed up on 128 of the missing forms and noted:

- For 26 (20%) DCFS 63 forms, CSWs claimed that the transit passes/tokens were given to their clients, but they did not have the form or did not obtain the client's signature.
- For 23 (18%) DCFS 63 forms, CSWs did not distribute the transit passes/tokens, (i.e., 22 passes and 420 tokens) and had them in their possession, even though DCFS' policy requires CSWs to return undistributed transit passes/tokens to Transportation Clerks within three days.
- For the remaining 79 (62%) DCFS 63 forms, CSWs had the signed forms, but did not submit them to the Transportation Clerks, as required.
- **Transportation Clerks do not keep track of returned transit passes/tokens and do not always follow up on missing DCFS 63 forms** – As noted above, CSWs are required to return undistributed transit passes/tokens to Transportation Clerks within three days. The Transportation Clerks are supposed to document returned transit passes/tokens on the reconciliation forms. However, six of the seven regional offices we visited did not maintain a return log or document all returns. One of the seven regional offices we visited had no process in place to document whether CSWs returned any DCFS 63 forms.
- **Items requested on DCFS 63 forms do not match items issued** – We noted instances where items requested on the DCFS 63 forms did not match the items CSWs received. For example, a CSW requested three transit passes on the DCFS 63 form, but the Transportation Clerk's log indicated that 120 tokens were issued to the CSW. The client, however, signed for the three passes indicated on the DCFS 63 form. It appears this inconsistency occurred because the DCFS 63 form was not updated to reflect the change. This may have resulted in the client signing for items he/she did not receive.
- **Transportation Clerks do not monitor requests to prevent duplicate issuances** – We noted two different CSWs requested and issued transportation assistance for the same client. In another instance, a CSW requested and received a transit pass and tokens for the same client, even though the client should have only received the transit pass or tokens. This client indicated that she only received the pass. DCFS should develop monitoring procedures to prevent duplicate issuances.
- **It is often unclear who actually picked up transit passes/tokens** – Based on our interviews, it is common for CSWs to ask their co-workers to pick up transit passes/tokens that they have requested. For example, it appears that 10 (31%) of the 32 CSWs at one regional office had transit passes/tokens picked up and signed for by a co-worker. Given the nature of their work, this practice would be acceptable if accountability is maintained for each transfer of the items. Although the person picking up the transit passes/tokens is required to sign a log, signatures are often illegible and no other details are documented about the request or the person picking up the transit passes/tokens. This informal process would not prevent an

employee from picking up a co-worker's transit passes/tokens without the co-worker's knowledge, and/or signing someone else's name on the log. The Department should formalize this process to improve accountability by requiring documentation, including every time cash equivalents are transferred from one person to another, as required by CFM Section 1.3.3.1.

Recommendations

Department of Children and Family Services management:

- 11. Ensure that Children's Social Workers attach eligibility documents (i.e., court order or case plan) to all Department of Children and Family Services 63 forms.**
- 12. Ensure Transportation Clerks review Department of Children and Family Services 63 forms and eligibility documents for completeness, and only issue transit passes/tokens for requests that are properly supported.**
- 13. Ensure that Children's Social Workers/Transportation Clerks do not issue transit passes/tokens for children who can ride public transit free of charge.**
- 14. Reinforce with Children's Social Workers that Department of Children and Family Services 63 forms must not be self-approved, and doing so could result in disciplinary action.**
- 15. Ensure that Children's Social Workers only issue transit passes/tokens to clients specified on the Department of Children and Family Services 63 forms, and that they formally document and obtain approval if transit passes/tokens are to be provided to a client other than the person initially named on the Department of Children and Family Services 63 form.**
- 16. Ensure that Children's Social Workers obtain client signatures on all Department of Children and Family Services 63 forms and return the forms to the Transportation Clerks timely.**
- 17. Require Transportation Clerks to follow up on missing Department of Children and Family Services 63 forms.**
- 18. Ensure Children's Social Workers return undistributed transit passes/tokens to Transportation Clerks within three days.**
- 19. Ensure Children's Social Workers distribute either passes or tokens as specified on Department of Children and Family Services 63 forms,**

and require Children's Social Workers to obtain approval if Department of Children and Family Services 63 forms need to be updated.

20. Develop monitoring procedures to prevent duplicate issuances of transit passes/tokens.
21. Formalize the transit pass/token transfer and receipt process to ensure that only authorized personnel receive transit passes/tokens, and the client recipient information, including their name, and subsequent transfers are clearly documented.

Verification of Client Receipt

As a result of the significant control issues identified above, we contacted a sample of 65 clients and reviewed corresponding documentation (e.g., DCFS 63 form, log, etc.) to ensure that eligible clients received their transit passes/tokens. Thirteen (20%) of the 65 clients informed us that they did not receive any or all of the transit passes/tokens indicated by DCFS' documentation.

DCFS should assign staff independent of the transit pass/token handling and reconciliation processes to periodically select a sample of clients and verify that the clients received their transit passes/tokens, as specified on DCFS 63 forms. Following are the findings from our client interviews and documentation review.

- **One CSW gave one client's passes to other clients** – One guardian indicated that even though the court had ordered DCFS to provide transit passes to the child, no transit passes had been distributed to the child for six months. The guardian indicated that she often purchased the transit passes with her own funds when she did not receive them from DCFS. We reviewed additional DCFS 63 forms for this client and noted that the recipient's signatures did not always match. The CSW subsequently admitted that he had given the child's transit passes to other clients, asking the individuals who received the transit passes to sign as the eligible recipient. The CSW could not recall who actually received the passes, and offered an unsolicited comment that he did not "keep or sell them." This matter was referred to the A-C's OCI.
- **Passes on CSW's desk** – We found a transit pass on one CSW's desk that should have been distributed to a client. The DCFS 63 form for this pass had the client's signature indicating that the client had received it. The CSW could not provide an explanation.
- **CSWs distributing fewer passes than they requested** – CSWs requested multiple transit passes/tokens for clients, but only distributed some of them. For these transit passes/tokens, the CSWs obtained client signatures, but did not document on the DCFS 63 forms that some listed items were not distributed. The CSWs had the

remaining transit passes/tokens in their possession and did not return them to the Transportation Clerks within three days, as required. At the time of our review, the CSWs had the undistributed transit passes/tokens for up to two months.

- **Using one DCFS 63 form for an entire family that does not live in the same household** – Some CSWs completed one DCFS 63 form for an entire family, even though the family members did not live together. In these instances, the CSWs would distribute one parent's transit passes/tokens and obtain one signature as if all transit passes/tokens were distributed to the signer. The remaining transit passes/tokens were supposedly distributed to other family members. For these instances, it is not possible to conclusively determine if the other family members actually received their transit passes/tokens. During our client interviews, we noted a case where one parent signed for the family, but other family members claimed they did not receive their transit passes/tokens from the CSW. This matter was referred to the A-C's OCI.

To ensure that all clients receive their transit passes/tokens and that the Department has documentation supporting their receipt, CSWs should prepare separate requests for family members who do not live together, and ensure that clients only sign for transit passes/tokens they actually receive.

Recommendations

Department of Children and Family Services management:

22. **Periodically assign staff independent of the transit pass/token handling and reconciliation process to select a sample of clients and verify that the clients received their transit passes/tokens, as specified on Department of Children and Family Services 63 forms.**
23. **Require Children's Social Workers to prepare separate Department of Children and Family Services 63 forms for family members who do not live together, and ensure that clients only sign for items they actually received.**

Transit Pass and Token Purchases

We also reviewed the Department's transit pass/token purchases and usage to determine areas for improvement. For FY 2012-13, DCFS' transit pass and token purchases totaled approximately \$10.1 million and \$1.9, respectively.

Transit Passes

DCFS purchases different types of monthly transit passes, primarily from the MTA, including the student pass (\$24.60), regular pass (\$75.60), and the EZ pass (\$84.60). The student and regular passes can only be used on the MTA transit lines, while the EZ

passes can be used on 24 different public transit carriers throughout the County, including the MTA, Antelope Valley Transit Authority (AVTA), Foothill Transit, Montebello Bus Line, etc. The EZ pass is preferable if a rider needs to travel on multiple carriers/lines.

For EZ passes, riders simply tap their EZ pass on the fare box as they board. If a transit line is not equipped for EZ pass tapping, riders must show their pass to the driver. The TAP-enabled transit lines account for approximately 88% of the total ridership. The MTA keeps track of EZ passes that have been tapped.

EZ passes expire at the end of each month, regardless of their usage, and the MTA does not offer refunds or credits for unused EZ passes that expire. In FY 2012-13, DCFS spent approximately \$7.4 million on EZ passes.

- **During a four-month period, transit passes valued at \$160,000 expired without being distributed to clients, and an additional \$411,000 in transit passes may have expired without being used** – We reviewed DCFS' EZ pass purchases over four months, and noted that DCFS purchased more than 27,500 EZ passes, valued at approximately \$2.33 million. We verified that during a four-month period, DCFS regional offices never distributed 1,906 (7%) transit passes valued at \$160,000 to Transportation Clerks. These transit passes were never distributed to clients. We also reviewed MTA usage records for the same four months and noted that an additional 4,818 (18%) transit passes valued at \$411,000 purchased by DCFS during the four months may have expired without being used (i.e., tapped). As noted previously in our report, DCFS does not return undistributed passes, secure undistributed transit passes, or maintain accurate records of transit pass issuances or inventory. Therefore, we could not determine if any of the remaining 4,818 transit passes were distributed to clients. However, it is unlikely that all 4,818 of the transit passes were distributed to clients who traveled exclusively on the transit lines (12%) that are not TAP-enabled.
- **DCFS could have saved at least \$131,750 if they purchased regular passes for some clients** – We found that of the 20,848 EZ passes used during the four-month period, 10,742 (52%) EZ passes were exclusively used on MTA lines. DCFS could have saved at least \$131,750, if the Department purchased passes that cost less (e.g., AVTA pass, MTA regular pass, etc.) for clients who do not travel across multiple transit lines. For example, employees at the Palmdale and Lancaster regional offices indicated that many of their clients travel locally and would only require the AVTA monthly bus pass (\$50), which costs \$34.50 less than the EZ pass. We noted that the two offices only ordered EZ passes, and the employees were not aware that the AVTA pass was available. The savings would have been even greater if some of the clients were eligible for a student pass.
- **EZ passes are not always distributed timely** – We reviewed 24 EZ pass requests from CSWs and noted that 12 were issued an average of 14 days after the month began, even though the requests had been submitted at or before the beginning of

the month. As noted previously, EZ passes expire at the end of each month. DCFS needs to ensure that EZ passes are distributed to clients timely to avoid inconvenience to clients and waste.

Recommendations

Department of Children and Family Services management:

- 24. Ensure transit pass purchases are based on actual need to generate cost savings and reduce the number of EZ passes that expire without being used.**
- 25. Limit EZ pass purchases to clients who travel on multiple transit lines, and consider alternate transit passes that cost less for clients who only travel locally.**
- 26. Ensure that EZ passes are distributed to clients timely.**

Transit Tokens

DCFS is supposed to distribute tokens rather than transit passes for clients who do not need to use transit lines daily, or when it is more cost-effective.

We reviewed transit token purchases and distribution records for three regional offices, and noted that all three regional offices consistently ordered significantly more tokens than they needed. The offices also maintained a significant number of tokens in their inventory, and did not consider the inventory level when they ordered additional tokens. For example, in June 2013, one office ordered 32,000 tokens, when they already had 44,630 tokens on-hand. This office only distributed 21,710 (28%) tokens that month, and on average, distributed 42% of available tokens each month. The other two regional offices only distributed 44% and 77% of available tokens, respectively. Each of the three offices maintained a monthly average of 19,623 extra tokens, worth \$29,435 each month. Staff indicated that they prefer to maintain extra tokens for emergencies. However, the number of tokens they maintain far exceeds a reasonable number on-hand for emergency purposes.

We noted that Transportation Clerks, responsible for ordering transit passes/tokens for each office, ordered the transit passes/tokens based on quantities previously ordered, regardless of inventory on-hand, actual usage, or quantities requested by CSWs.

Recommendation

- 27. Department of Children and Family Services management ensure that regional offices reduce the number of transit tokens on-hand, and consider the inventory level and usage when ordering additional tokens.**



PHILIP L. BROWNING
Director

**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

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March 5, 2015

To: John Naimo
Auditor-Controller

From: Philip L. Browning
Director

RESPONSE TO THE AUDITOR-CONTROLLER'S DEPARTMENT OF CHILDREN AND FAMILY SERVICES – REVIEW OF PUBLIC TRANSIT PASSES AND TOKENS

Attached is the Department of Children and Family Services (DCFS') response to the Auditor-Controller's (A-C) November XX, 2014 report, which details the A-C's findings of DCFS Public Transit Passes and Tokens Review. We have thoroughly reviewed the report and carefully taken into consideration the issues and recommendations outlined. And for those recommendations in which there is agreement, we have either taken or initiated corrective actions to address and implement each of the recommendations. However, it is important to note that we find some of the detail and assumptions contained within the report questionable based upon the Department's meeting with the MTA, from whose data the A-C utilized to make assertions and form conclusions contained in your report, during which time the MTA communicated that approximately 9 cities within the County do not have TAP stations and that the TAP system fails to record all digital TAP card transactions on ticket-reading systems due to various issues such as system and equipment malfunctions. In addition, the LA Times article, *"So how many passengers are actually paying to ride?"*, dated July 28, 2014 (see attached), noted that, *"Some passengers buy multi-day passes and forget to scan them, or don't realize they need to. Equipment can malfunction."* and *"...half of the system's 80 stations remain ungated. Many cannot accommodate barriers that would prevent free entry."* Furthermore, a Metro spokesman said, *"...electronic tallies of scanned tickets generate raw data that measures only customers who've properly validated their tickets. He added that conclusions should not be drawn from data recorded before all gates were locked."*

We appreciate the opportunity to have DCFS' responses directly included with your final report to the Board of Supervisors. My Department is committed to improving internal practices to ensure compliance with County Fiscal Policies and we would appreciate any technical assistance the A-C may provide in doing so.

If you have any questions or require additional information, please have your staff contact Cynthia McCoy-Miller, Senior Deputy Director, at (213) 351-5847.

Thank you.

PLB:CMM:ow

Attachments

c: Cynthia McCoy-Miller, Senior Deputy Director

"To Enrich Lives Through Effective and Caring Service"

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
RESPONSE TO AUDITOR-CONTROLLER'S DRAFT AUDIT REPORT OF
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Management Oversight

Recommendation #1:

Increase the level of management oversight over its transit passes and tokens to ensure staff comply with County and departmental fiscal policies and procedures.

DCFS Response:

On October 3, 2013, DCFS implemented a directive control in which the Department revised and issued Procedural Guide C300-202: Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting. The procedural guide (PG) provided instructions to employees on how to handle, distribute, and issue bus tokens/passes/coupons. In addition, the PG outlines the preventive controls implemented at the regional offices, the Procurement Services Section and the Accounts Payable Section, which include the separation of duties, proper authorization and approval roles, adequate document and recordkeeping requirements, and physical controls over the negotiable assets.

On March 25, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the audited offices and discussed the Auditor-Controller's findings. Regional office management and Clerical Administrators who oversee the overarching functions of the internal controls, purchasing, handling, and recordkeeping related to transit passes and tokens were instructed to review the findings in detail, assess their operations for deficiencies and began developing corrective action plans to address the instances identified within the report requiring strengthening and complying with the County and departmental fiscal policies and procedures related to transit passes and tokens.

On July 1, 2014, DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering Procedural Guide, which includes information on where and how to acquire them, how to secure them, and what to do if they are stolen.

In September 2014, the Department began working with the Auditor-Controller's OCI Division to coordinate training for nearly 250 DCFS management/supervisory level staff regarding Fraud Awareness. Training commenced on January 14, 2015, and is scheduled to be completed by the end of June 2015. To date, 70 management/supervisory level staff have completed the training. Upon successful completion of this training, DCFS management/supervisory staff will be required to register for the Cash and Cash Equivalents Training starting mid-year 2015 to further increase the level of management oversight over its transit passes and tokens to ensure staff comply with County and departmental fiscal policies and procedures.

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On October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this report, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to implement this recommendation. In turn, the Department's regional office management and Clerical Administrators have developed corrective action plans to address and implement the recommendations contained in the report within each of their respective locations, where applicable.

In addition, regional management staff has been instructed to perform ongoing staff monitoring for compliance and take appropriate disciplinary action for any staff not adhering to policies and procedures.

Finally, the Department's Internal Control Section will develop and conduct periodic Quality Assurance Reviews to reasonably ensure staff is complying with policies and procedures.

Recommendation #2:

Provide internal controls training related to handling cash equivalents for all applicable staff, conduct ongoing monitoring of staff for compliance, and take appropriate disciplinary action for staff who do not follow required policies and procedures.

DCFS Response:

In September 2014, the Department began working with the Auditor-Controller's OCI Division to coordinate training for nearly 250 DCFS management/supervisory level staff regarding Fraud Awareness. Training commenced on January 14, 2015, and is scheduled to be completed by the end of June 2015. Upon successful completion of this training, DCFS management/supervisory staff will be required to register for the Cash and Cash Equivalents Training starting mid-year 2015.

In addition, regional management staff has been instructed to perform ongoing staff monitoring for compliance and take appropriate disciplinary action for any staff not adhering to policies and procedures.

Finally, the Department's Internal Control Section will develop and conduct periodic Quality Assurance Reviews to reasonably ensure staff is complying with policies and procedures.

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Internal Controls

Recommendation #3:

Ensure staff adequately secure transit passes/tokens at all times.

DCFS Response:

On July 1, 2014, DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which includes information on where and how to acquire them, how to secure them, and what to do if they are stolen.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Of the 18 CSW's that were noted by the Auditor-Controller (A-C):

- Eight (8) have been counseled and received training;
- Nine (9) are still under review and appropriate administrative action will be taken, if applicable, upon completion; and
- One (1) is on a leave of absence and will be addressed upon the employees' return to work.

Recommendation #4:

Ensure regional offices securely transport transit passes/tokens, and ensure that all transfers are approved and documented.

DCFS Response:

On July 1, 2014, DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which includes information on where and how to acquire them, how to secure them, and what to do if they are stolen.

To further ensure that transit passes/tokens are securely transported; and transfers are properly approved and documented, on October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the

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audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the relevant deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere with policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Recommendation #5:

Require staff to attest to the quantity of transit passes/tokens released and received by signing a transfer document each time responsibility for passes/tokens transfers from one person to another.

DCFS Response:

On July 1, 2014, DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which includes issuance instructions that CSWs must ensure that passes are either issued or returned to the designated staff person to distribute within three (3) days for re-issuance to another client.

On October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report. The PG instructs Transportation Clerks to count out tokens and passes with the CSW, for the CSW to sign and date the DCFS 62, and both to sign and date the DCFS 63.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

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The six cases noted in the A-C report were referred by the A-C Audit Division to the A-C Office of County Investigations (OCI) for further review and were determined unsubstantiated for fraudulent activity.

Recommendation #6:

Require regional office staff to safeguard safe combinations.

DCFS Response:

The Department agrees with this recommendation and has reminded regional office staff to safeguard safe combinations and to keep combinations to safes known only to those staff who have been approved to access the contents of the safes.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Recommendation #7:

Ensure regional offices maintain perpetual inventory records and have personnel with no other transit pass/token handling responsibilities conduct a physical inventory at the end of each month.

DCFS Response:

To ensure regional offices maintain perpetual inventory records and maintain a separation of duties, on October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this report, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, which instructs the Clerical Administrators and Transportation Clerks of their roles and responsibilities in maintaining perpetual inventory records, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus

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Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Recommendation #8:

Ensure staff are trained to properly complete transit pass/token reconciliations, and monitor to ensure accuracy.

DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which includes information on where and how to acquire them, how to secure them, and what to do if they are stolen.

On October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this report, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

The Department's regional management provided in-house training on December 2 and 3, 2014, to staff identified within this report which included going over this recommendation and reminding them to properly complete transit pass/token reconciliations, and monitor to ensure accuracy.

Recommendation #9:

Ensure reconciliations are completed timely, and reviewed/approved by appropriate personnel.

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DCFS Response:

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report. This PG provides step-by-step instructions on how, when and who will complete and approve reconciliations.

Additionally, as an added measure of controls, Accounts Payable Section reviews monthly reconciliation reports received from the various regional offices.

The Department's regional management provided in-house training on December 2 and 3, 2014, to staff identified within this report which included going over this recommendation and reminding them to ensure reconciliations are completed, reviewed and approved by appropriate personnel and submitted by the due date.

Recommendation #10:

Ensure regional offices have proper separation of duties for handling transit passes/tokens.

DCFS Response:

On October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the offices reviewed to discuss this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterate compliance with policy and procedures and develop corrective action plans to fix the deficiencies cited in the report.

The Department's Regional management has assessed the handling of their transit passes and tokens and ensured that proper separation of duties is in place in accordance with the relevant policies and procedures.

In addition, the Department's Internal Control Section will develop and conduct Quality Assurance reviews periodically to monitor staff for compliance with the policies and procedures, and verify regional offices have proper separation of duties for handling transit passes/tokens.

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Transit Pass and Token Requests, Issuances, and Documentation

Recommendation #11:

Ensure that Children's Social Workers attach eligibility documents (i.e., court order or case plan) to all Department of Children and Family Services 63 forms.

DCFS Response:

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report. The PG instructs Transportation Clerks to review DCFS 63 forms and eligibility documents for completeness and only issue passes/tokens for requests that are properly supported and to deny issuance of bus pass/tokens if required documentation is not attached.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Recommendation #12:

Ensure Transportation Clerks review Department of Children and Family Services 63 forms and eligibility documents for completeness, and only issue passes/tokens for requests that are properly supported.

DCFS Response:

As indicated in the response to Recommendation #11, Transportation Clerks were instructed to review DCFS 63 forms and eligibility documents for completeness and only issue passes/tokens for requests that are properly supported and to deny issuance of bus pass/tokens if required documentation is not attached.

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Recommendation #13:

Ensure that Children's Social Workers/Transportation Clerks do not issue passes/tokens for children who can ride public transit free of charge.

DCFS Response:

The Department will confirm if all transit lines within Los Angeles County allow for children under the age of 5 to ride for free, and that there are not any restrictive parameters that DCFS staff need to take into account before making a decision not to issue passes/tokens for children who are under the age of 5.

Recommendation #14:

Reinforce with Children's Social Workers that Department of Children and Family Services 63 forms must not be self-approved, and doing so could result in disciplinary action.

DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which includes information on where and how to acquire them, how to secure them, and what to do if they are stolen.

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training if needed and to monitor the process to ensure compliance.

Furthermore, the Director sends out a semi-annual County Fraud Hotline memo to all departmental staff which highlights allegations of misconduct and serves as a reminder to staff of the Department's adopted set of values that governs employee conduct and commitment to be "honest, forthcoming, and transparent, always acting in accordance with the highest ethical standards and values."

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Recommendation #15:

Ensure that Children's Social Workers only issue transit passes/tokens to clients specified on the Department of Children and Family Services 63 forms, and that they formally document and obtain approval if passes/tokens are to be provided to a client other than the person initially named on the Department of Children and Family Services 63 form.

DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which include detective controls for implementing this recommendation by Transportation Clerks reviewing the DCFS 63 forms for appropriate signatures and documentation when receiving the forms back from the CSW after issuance.

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

The Department's Regional management provided training on December 2 and 3, 2014, to staff which included going over this recommendation and reminding them to formally document and obtain approval if passes/tokens are to be provided to a client other than the person initially named on the DCFS 63 form.

Recommendation #16:

Ensure that Children's Social Workers obtain client signatures on all Department of Children and Family Services 63 forms and return the forms to the Transportation Clerks timely.

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DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which instructs CSWs to provide and the Transportation Clerks to receive the DCFS 63 forms with client signatures within three (3) days of issuance. As an added measure of control, the Transportation Clerks will e-mail the appropriate Assistant Regional Administrator if the DCFS 63 forms are not returned by the 10th day of the month from the CSW and again on the 30th day, if applicable.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Recommendation #17:

Require Transportation Clerks to follow up on missing Department of Children and Family Services 63 forms.

DCFS Response:

As noted in Recommendation #16, on July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which instructs Transportation Clerks to e-mail the appropriate Assistant Regional Administrator if the DCFS 63 forms are not returned by the 10th day of the month and again on the 30th day, if applicable.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

Recommendation #18:

Ensure Children's Social Workers return undistributed transit passes/tokens to Transportation Clerks within three days.

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DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which instructs CSWs to issue either issue or return undistributed transit passes/tokens to Transportation Clerks within three (3) days. Transportation Clerks will e-mail the appropriate Assistant Regional Administrator if the DCFS 63 forms are not returned by the 10th day of the month from the CSW and again on the 30th day, if applicable.

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

In addition, the Department's Regional management provided training on December 2 and 3, 2014, to staff identified within this report which included going over this recommendation.

Recommendation #19:

Ensure Children's Social Workers distribute either passes or tokens as specified on Department of Children and Family Services 63 forms, and require Children's Social Workers to obtain approval if Department of Children and Family Services 63 forms need to be updated.

DCFS Response:

On October 23, 2014, executive management staff and staff of the Department's Internal Controls Section met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

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In addition, the Department's Regional management provided training on December 2 and 3, 2014, to staff identified within this report which included going over this recommendation.

Recommendation #20:

Develop monitoring procedures to prevent duplicate issuances of transit passes/tokens.

DCFS Response:

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report. The PG instructs Transportation Clerks to review logs and reconciliations to prevent duplicate issuances of transit passes/tokens.

Recommendation #21:

Formalize the transit pass/token transfer and receipt process to ensure that only authorized personnel receive passes/tokens, and the client recipient information, including their name and subsequent transfers are clearly documented.

DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, which instructs SCSWs to verify that eligibility documents are attached to the DCFS 63 prior to approval.

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report. The PG instructs Transportation Clerks to review DCFS 63 forms and eligibility documents for completeness and only issue passes/tokens for requests that are properly supported and to deny issuance of bus pass/tokens if required documentation is not attached.

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Verification of Client Receipt

Recommendation #22:

Periodically assign staff independent of the token/pass handling and reconciliation process to select a sample of clients and verify that the clients received their transit passes/tokens, as specified on Department of Children and Family Services 63 forms.

DCFS Response:

The Department's Internal Control Section will develop and conduct Quality Assurance Reviews to periodically monitor staff for compliance with the policies and procedures by selecting a sample of clients and verifying that the clients received their transit passes/tokens.

Recommendation #23:

Require Children's Social Workers to prepare separate Department of Children and Family Services 63 forms for family members who do not live together, and ensure that clients only sign for items they actually received.

DCFS Response:

On July 1, 2014, the DCFS revised and re-issued the updated Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupons: Eligibility and Ordering PG, which includes information on where and how to acquire them, how to secure them, and what to do if they are stolen.

On October 23, 2014, executive management and the Department's Internal Controls Section staff met with the Regional Administrators and Clerical Administrators of the audited offices and discussed this recommendation, re-distributed the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, reiterated expectations to comply with policy and procedures and instructed staff to correct the deficiencies cited in the report.

In addition, the revised July 1, 2014 Bus Passes/Tap Cards/EZ Pass Tap Cards/Tokens/Coupon: Eligibility and Ordering PG, and the October 2013 Bus Passes/Tokens/Coupons Ordering, Disbursement and Reporting PG, will be re-distributed annually to all Regional Administrators and Clerical Administrators with instructions to remind staff that they must adhere to policy and procedures to provide refresher training, if needed, and to monitor the process to ensure compliance.

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In addition, the Department's Regional management provided training on December 2 and 3, 2014, to staff identified within this report which included going over this recommendation and have reminded CSWs to prepare separate DCFS 63 forms for family members who do not live together, and ensure that clients only sign for items they actually received.

Transit Pass and Token Purchases

Recommendation #24:

Ensure transit pass purchases are based on actual need to generate cost savings and reduce the number of EZ passes that expire without being used.

DCFS Response:

SCSWs will work with CSWs to more clearly define specific transportation needs of clients in order to make a sensible determination of the most cost effective means of transportation. In addition, to reduce the number of EZ passes that expire without being used, the Department's Internal Controls and Procurement Sections developed and implemented a reduction method to minimize excess purchases in regional offices future orders of transit passes/tokens by reducing the order by 75% of the amount "returned" in excess of the amount being distributed.

In reference to the assumption that the 6,747 (24%) passes that were purchased in June, July, November, and December 2012, were never used and expired, DCFS is aware that clients do not always tap their cards when traveling and our goal was to ensure that clients received the cards timely to travel within Los Angeles County. Not tapping the cards at a TAP station does not constitute non-usage. In addition, Departmental Management met with the MTA and employees of the Auditor-Controller during which time the MTA informed us that approximately 9 cities within the County do not have the tap stations and that it is not always required and therefore cannot be used to estimate non-usage. Also noted in the LA TIMES article, *"So how many passengers are actually paying to ride?"*, dated July 28, 2014, noted that, *"Equipment can malfunction."* and *"...half of the system's 80 stations remain un-gated. Many cannot accommodate barriers that would prevent free entry."* Furthermore, a Metro spokesman said, *"...electronic tallies of scanned tickets generate raw data that measures only customers who've properly validated their tickets. He added that conclusions should not be drawn from data recorded before all gates were locked."* Therefore, the estimation that a large sum of money may have been lost is questionable.

Recommendation #25:

Limit EZ pass purchases to clients who travel on multiple transit lines, and consider alternate transit passes that cost less for clients who only travel locally.

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
RESPONSE TO AUDITOR-CONTROLLER'S DRAFT AUDIT REPORT OF
BUS PASSES AND TOKENS REVIEW**

DCFS Response:

The Department has instructed staff to make sensible decisions when issuing EZ pass purchases to clients and as often as possible limit EZ passes to clients who travel on multiple transit lines.

However, in reference to the assumptions:

1. The Palmdale and Lancaster offices could have saved approximately \$305,000 by purchasing AVTA passes instead of EZ passes.

DCFS believes this was and is not practical since the purchase of AVTA passes would put clients in hardship by limiting travel only to the Antelope Valley lines when access throughout Los Angeles County is necessary for the Children and Families we serve. Money was not lost and limiting clients to only the AVTA passes could put the Department and the County in a liable position by not providing court mandated services.

2. It appears not all EZ passes purchased were needed, since 17,902 of the 20,848 EZ passes used (86%) were only used on MTA lines. DCFS could have saved at least \$161,118, if the Department purchased other passes that are for MTA transit lines only (i.e., regular monthly MTA pass).

DCFS management was aware of the other passes but decided that it would be more effective and efficient to serve our clients by purchasing the passes that will allow clients to travel to their various locations within LA County, instead of confining them which would cause more hardship by limiting their travel parameters. This was not a matter of savings rather a management decision to ensure mandated travel services for our clients.

Recommendation #26:

Ensure that EZ passes are distributed to clients timely.

DCFS Response:

The Department has emphasized to its regional staff the importance of distributing EZ passes to clients timely so that clients can have the opportunity to utilize the pass as earliest as possible within a given month. However, even with proper planning, timeliness of distribution can be affected by the high volume of caseloads, competing priorities for the safety of children and opportunities for client contact and proper distribution.

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
RESPONSE TO AUDITOR-CONTROLLER'S DRAFT AUDIT REPORT OF
BUS PASSES AND TOKENS REVIEW**

Transit Tokens

Recommendation #27:

Department of Children and Family Services management ensure that regional offices reduce the number of transit tokens on hand, and consider the inventory level and usage when ordering additional tokens.

DCFS Response:

The Department's Internal Controls and Procurement Sections have developed and implemented a reduction method to minimize excess purchases in regional offices of future orders of transit passes/tokens by reducing the order by 75% of the amount "returned" in excess of the amount being distributed.

([HTTP://WWW.LATIMES.COM/](http://www.latimes.com/))



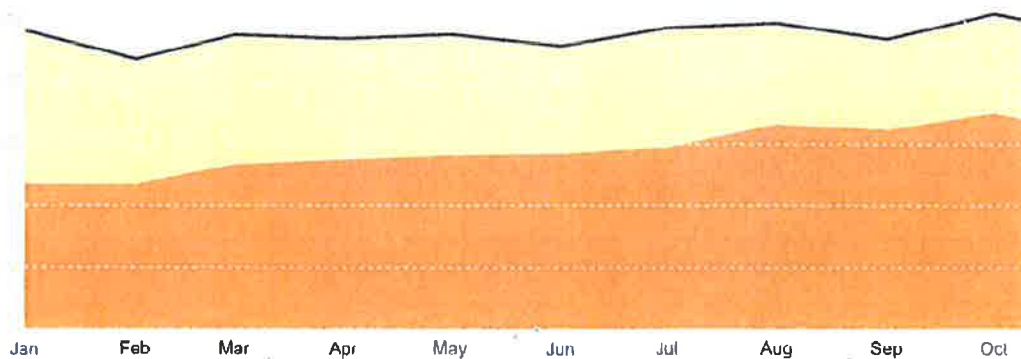
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So how many people are actually paying to ride?

All Rail Red/Purple Blue Green Gold Expo

Paid entries Payment status unknown Total est. boardings



Notes: Paid entries and payment status unknown may not match ridership due to rounding. Metro estimates ridership in a six-month rolling average. Paid entries are estimated for the Blue, Expo, Red/Purple and Green lines due to shared platforms.
Source: L.A. County Metropolitan Transportation Authority

By LAURA J. NELSON ([HTTP://WWW.LATIMES.COM/LA-BIO-LAURA-NELSON-STAFF.HTML](http://www.latimes.com/la-bio-laura-nelson-staff.html)) AND
JON SCHLEUSS ([HTTP://WWW.LATIMES.COM/LA-BIO-JON-SCHLEUSS-STAFF.HTML](http://www.latimes.com/la-bio-jon-schleuss-staff.html))
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ridership discrepancy](mailto:laura.nelson@latimes.com,jon.schleuss@latimes.com?subject=metro%20ridership%20discrepancy))

SHARELINES

<http://graphics.latimes.com/los-angeles-metro-riders/>

3/4/2015

- More people are estimated to ride L.A.'s trains than are counted scanning tickets at stations
- As @metrolosangeles plans to raise fares, questions lurk around how many are riding for free
- 40% more people were estimated to be riding L.A.'s trains than scanning tickets at stations in 2013

JULY 28, 2014 | LOS ANGELES

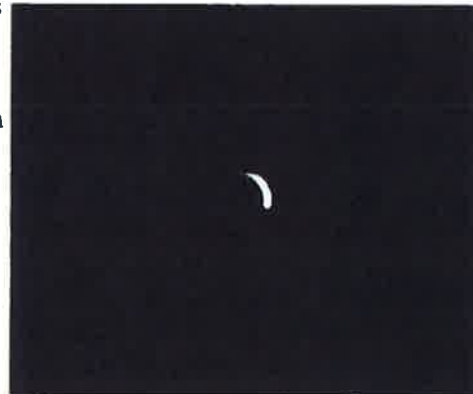
Los Angeles transit officials proudly point to growing ridership on the county's light-rail and subway system, which last year saw a 5% increase in the number of passengers getting on trains.

But figuring out how many of those 115 million riders paid their fares and rode the trains legally has become a vexing question with important consequences.

A Times analysis of agency data collected at rail stations found the Metropolitan Transportation Authority documented only 70 million legal rides last year. How much of that difference may be the result of fare evasion — or other factors — is difficult to gauge.

Reducing fare jumping as much as possible has become increasingly important to Metro, which is under pressure to boost ticket revenue as its rail network rapidly expands. Income from fares covers just 26% of Metro's bus and rail system operating expenses, one of the lowest rates of any major world city. That ratio must increase in the next few years or the agency risks losing crucial federal funding needed to continue building and operating the train network.

Metro has responded by raising fares, starting in September, with more hikes proposed for coming years.



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A child, bottom left, ducks underneath the turnstiles at the Hollywood/Highland Metro rail Red Line station in February (Christina House / Los Angeles Times)

In addition to fare hikes, some elected officials are asking the agency to examine other ways to bring in more revenue. And they are taking note of the disparities between Metro's ridership estimates and the numbers of tickets being counted at rail stations.

"They owe it to you and to anybody else who's interested to explain the difference," said Los Angeles County Supervisor Zev Yaroslavsky, a Metro board member, who says it's still too easy to get on trains without paying.

Metro officials acknowledge they don't know how many rail passengers are failing to pay or how much money the agency may be losing. But they stress that comparing ridership estimates to ticket counts doesn't provide answers.

The gap between the figures is probably a combination of factors. Some passengers buy multi-day passes and forget to scan them, or don't realize they need to. Equipment can malfunction. Ridership estimates may be too rosy. And, as some studies have suggested (<http://www.latimes.com/local/la-me-fare-evasion-20140130-story.html>), fare evasion may be higher than Metro has indicated.

Undercover sheriff's deputies working on the Blue Line found that more than one in four passengers at the 103rd Street/Watts station had no valid ticket — four times Metro's systemwide rail fare evasion estimate of 5% to 6%. An additional 3% of riders on the heavily used line, which links Long Beach to downtown Los Angeles, were not scanning their tickets.

For some passengers, it's a simple risk assessment.

"At this point, I'm saving money," said Michael, 24 of Los Angeles, a Blue Line rider who asked that his last name not be used because he wasn't paying. In the five years he's taken the train, he said he's only purchased a ticket when uniformed officers were present. He said he's never received a citation. A fare evasion ticket, he pointed out, costs the same as a monthly pass: \$75.

Metro has been gradually weaning itself from a decades-long experiment with an honor system on its trains. For years, stations had no fare gates, and tickets were randomly checked by agents or sheriff's deputies.

Passengers wait for an eastbound train at the 7th Street Metro Center subway station. Reducing fare jumping is becoming increasingly important to the agency (Robert Gauthier / Los Angeles Times)

Six years ago, Metro began a shift from paper tickets to digital fare cards (<http://latimesblogs.latimes.com/lanow/2009/03/is-the-tap-card.html>) and installed ticket-reading equipment at stations. For the first time, riders were expected to scan their passes before boarding trains. Turnstiles were placed at subway and some light-rail stations, but passengers could still walk through without tickets. To further encourage people to buy and scan tickets, transit officials began locking the turnstiles (<http://www.latimes.com/local/lanow/la-me-ln-metro-turnstiles-locked-20130619-story.html>) last summer. However, half of the system's 80 stations remain ungated. Many cannot accommodate barriers that would prevent free entry.

“
We don't even know how much money we're leaving on the table.
”

— Zev Yaroslavsky, Los Angeles County supervisor and Metro board member

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Those “mistakes of the past” continue to confuse riders, Yaroslavsky said, and make it more difficult for Metro to calculate revenue being lost to fare evasion. “We don’t even know how much money we’re leaving on the table,” he said.

Overall, The Times found official ridership estimates for 2013 exceeded the number of tickets scanned by nearly 40%. After turnstiles were locked, beginning last summer, the number of ticket holders being recorded increased on all six of Metro's rail lines, records show. By April, the most recent monthly data available, ticket counts were up from early last year, although still 25% lower than Metro's ridership figures.

In the past year, Metro has boosted its education efforts. A public-service announcement reminds passengers that scanning tickets is the law. And riders now encounter clusters of ticket-scanning machines near entrances and stairwells in some stations.

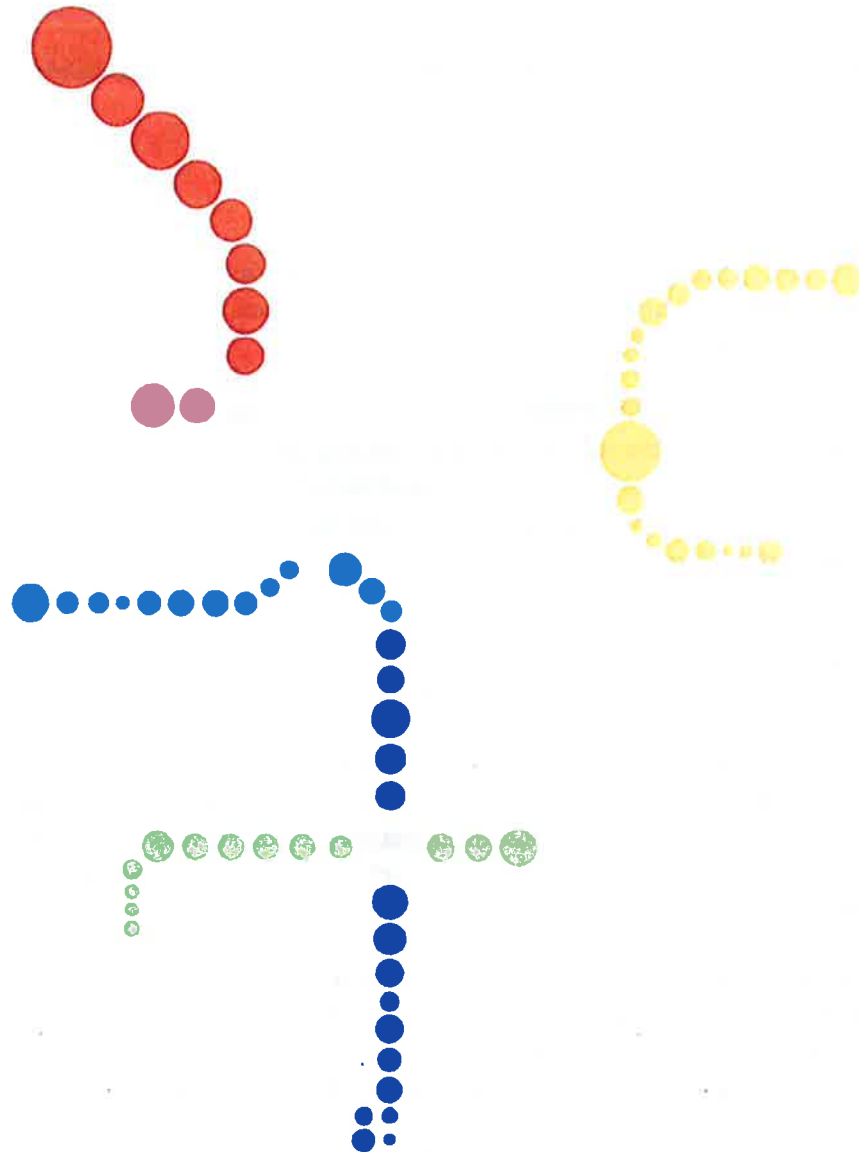
Metro spokesman Paul Gonzales said monthly ridership figures produced by the agency were based on average counts of passengers over the preceding six months. He said electronic tallies of scanned tickets generate raw data that measures only customers who've properly validated their tickets. He added that conclusions should not be drawn from data recorded before all gates were locked.

Metro officials say they're confident about their ridership estimates, and they note their calculation method has been approved by the federal government. The agency's estimate that 5% to 6% of rail passengers don't pay is based on a 7-year-old audit. At that rate, Metro would be losing about \$5 million annually, based on the current average ticket price.

Complicating calculations of fare evasion, about 73% of Metro riders use prepaid passes, which offer an unlimited number of rides for a day, a week or a month. Payment is collected when the pass is purchased, so Metro doesn't lose a fare if a rider forgets to scan before boarding or transferring. But those passengers are still breaking the law and can receive a fare-evasion citation.

Ticket scans by station

Show stations with locked turnstiles



Source: Los Angeles County Metropolitan Transportation Authority

Metro board members are considering installing more turnstiles on light-rail lines. A recent analysis estimated the cost of adding the barriers to the Westside Expo Line and the Eastside and Pasadena Gold Line could exceed \$500,000 per station.

"At that point, you have to ask yourself whether you're getting back more money than you're spending," said Jim Moore II, a USC engineering professor. But, he added, turnstiles do work — both at decreasing fare evasion and making passengers feel safer.

Despite the challenges of gauging fare evasion, Brian Taylor, the director of UCLA's Institute of Transportation Studies, said comparing ridership and ticket-count data can be useful — and in Metro's case, may point to a problem. "Either [ticketed passengers] have been undercounted, or the ridership forecasts have been over-counted," he said. "I see no other way around it."

Data analyzed by The Times shows that in January 2013, Metro's ridership figure was about 59% higher than ticket scans along the Blue Line, where less than a third of 22 stations have fare gates. The gap had decreased to about 37% by April of this year.

The most dramatic change occurred along the subway, where all stations now have turnstiles that lock between passengers. In January 2013, Metro's ridership estimate was about 46% higher than ticket scans. That gap had closed to 13% by April of this year.

Tressa Fields of Baldwin Hills, waiting recently for a train at downtown's Pico station, has been a regular rail rider and observer of how the system works. The platform, which serves the Blue and Expo lines, has no turnstiles, but it does have 11 chrome pedestals where passengers are supposed to scan their transit access passes, or TAP cards.

Fields said she's always careful to scan her pass because her niece received a pricey citation a few years ago. But not everyone appears as diligent, she said. At rush hour, when passengers flood onto the trains, she suspects only about half are scanning tickets.

"This isn't Chicago or New York, where you can't get through unless you pay," Fields said.

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Procedural Guide

C300-202

BUS PASSES/TOKENS/COUPONS ORDERING, DISBURSEMENT AND REPORTING

DATE OF ISSUE:	03/11/09 Revision: 10/03/2013
APPLICABLE TO:	Transportation Clerks Transportation Clerk Supervisors Cashiers Cashier Supervisors Clerical Administrators Assistant Regional Administrators Regional Administrators Division Chiefs
LEGAL BASIS:	None
RELATED POLICY RELEASES:	Procedural Guide 0900-520.10 , Bus Passes/Tokens/Coupons Ordering
LA Kids:	DCFS 6-1 , Miscellaneous Transmittal DCFS 62C , Bus Coupon Control Log DCFS 62P , Bus Pass Control Log DCFS 62T , Bus Token Control Log DCFS 63 , Service-Funded Activity Transportation Request & Receipt DCFS 64C , Bus Coupon Reconciliation Report –Revised DCFS 64P , Bus Pass Reconciliation Report - Revised DCFS 64T , Bus Token Reconciliation Report - Revised DCFS 65 , Request Letter for Bus Passes/Tokens/Coupons DCFS 194-A , Employee Acknowledgement of Negotiable Usage DCFS 6015 Malfunctioning Tap Card Report (New Form)
CWS/CMS FORM(S):	None
SUPERSEDES AND CANCELS:	Procedural Guide C300-202 , Bus Passes/Tokens/Coupons dated 3/11/09.

DEPARTMENTAL VALUES

The Department continues to focus on three priority outcomes. The three identified outcomes are improved safety for children, improved timelines to permanency, and reducing reliance on placement to achieve safety. Timely permanence is achieved, with the first choice permanency option being reunification, followed by adoption, relative legal guardianship, and legal guardianship with an unrelated caregiver.

Regions are provided with bus passes, tokens, and/or coupons which are provided to clients who are in need of transportation services to attend counseling, visit their children, etc. Each region is responsible to record all transactions on the appropriate forms and to submit reconciliation reports by the 10th of each month to DCFS Accounts Payable. Regions will also submit the reconciliation reports to Procurement when requesting bus passes, tokens, and/or coupons.

WHAT CASES ARE AFFECTED

This Procedural Guide is applicable to all new and existing referrals and cases.

OPERATIONAL IMPACT

Bus passes, tokens and/or coupons are only issued to DCFS clients who are specifically identified in a case plan or if ordered by the court. **They are not to be used by DCFS employees for their own personnel use.**

Bus passes, tokens and coupons are negotiable items and shall be secured at all times in a locked safe, file cabinet or cash drawer.

Effective immediately, all employees handling, distributing and issuing bus tokens/passes/coupons must complete/sign the DCFS 194-A, Employee Acknowledgement of Negotiable Usage, (original and two copies). The original will be filed in the employee's Official Personnel Folder, one copy will be filed in the employee's Office Personnel Folder, and one copy will be given to the employee. It is the responsibility of the Regional Administrator to make sure each employee reviews/signs this form.

Any lost, stolen or irreconcilability of bus passes, tokens and/or coupons shall immediately upon discovery, be reported to the Regional Administrator or his/her designee. The Regional Administrator or his/her designee will investigate, complete a written report and file it within five days from the date of investigation with the DCFS Finance Officer, 425 Shatto Place, Room 204, Los Angeles, CA 90020. In addition, immediately notify the Procurement Section at (213) 351-7777 and Internal Controls at (213) 351-5578.

Incidents of burglary, robbery or theft of \$100 or more must be reported to the Sheriff or local police department. In County facilities for which the County provides security, a report of an incident should first be made to the agency that provides security for the facility. For all losses, a letter stating the circumstance and amount of loss must be submitted to:

Auditor –Controller
Office of County Investigations

500 W. Temple St. Room 515
Los Angeles, CA 90012

Transportation Clerks will work with their supervisors/administrators to ensure that adequate passes/tokens/coupons are ordered in a timely manner, and to increase or decrease the amount of passes requested in order to best meet the needs of the region.

Each office/region will designate support staff (who have no transportation-related responsibilities) to be available to verify that the quantity of stock ordered, is the amount received.

A. WHEN: ORDERING BUS PASSES, TOKENS AND COUPONS

Transportation Clerk Responsibilities

1. Complete Metro Mail Order Form and DCFS 65, include how many transit items are required by court order. Complete the DCFS 6-1. Attach DCFS 64 (C, P, T) reports and DCFS 62 (C, P, T) logs. All offices should use the latest version of the bus token control log provided on LAKids. Procurement Services Section will be responsible for updating rates and available transit options on the DCFS 65 Order form for MTA and other transit companies. Forward documents to Clerical Supervisor or Clerical Administrator for review and approval.

Clerical Supervisor (CS)/Clerical Administrator (CA) Responsibilities

1. Review Metro Mail Order Form and DCFS 65, DCFS 64 (C, T,P) reports and DCFS 62 (C, P, T) logs. Forward forms to the Regional Administrator for review and approval of the DCFS 65, and DCFS 64 (C, P, T) reports.
2. Receive Metro Mail Order Form, DCFS 62 (C, P, T) logs, approved DCFS 65, and DCFS 64 (C, P, T) reports from Regional Administrator. Make two photocopies of each form. File first copy of each form and retain for five years in designated office file. Provide the second copy of each form to the Transportation Clerk.

<p>NOTE: Contact Procurement at (213) 351-7777, if there are any questions regarding, bus coupons, passes and tokens.</p>
--

3. Fax Metro Mail Order Form, and DCFS 65 to Procurement Section (213-738-6514) by 5th of the month.
4. Mail Metro Order Form, DCFS 65, copy of DCFS 64 (C,P,T), copy of DCFS 62 (C,P,T) and DCFS 6-1 by 5th of the month (original and one copy) to:

DCFS Procurement Section
Attn: Control Clerk
501 Shatto Place, Room 301
Los Angeles, CA 90020

5. File the copy of DCFS 6-1 until the signed DCFS 6-1 is received from the Procurement Section. Discard the file copy and file the signed copy. Retain for five years in designated office file.

Regional Administrator (RA)/Division Chief (DC)/Designee Responsibilities

1. Receive and review Metro Mail Order Form, DCFS 65, DCFS 64 (C, P, T) reports and DCFS 62 (C, P, T) logs.
2. Sign DCFS 65 and DCFS 64 (C, P, T) reports or give DCFS 65 to Division Chief to review/sign. Return all forms to Clerical Supervisor/Clerical Administrator.

B. WHEN: UPON RECEIPT OF BUS TOKENS, PASSES, COUPONS FROM MTA

CA/Designee Responsibilities

1. Receive bus tokens, passes, coupons in box with Metropolitan Transportation Authority (Metro Mail Order-Shipping Document) and Metro Mail Order form. (From MTA – Delivered by a County contracted company.)
2. Sign and date for the delivery.
3. Count bus tokens, passes, and coupons in the presence of one other individual.
4. Verify receipt of stock with shipping document. Lock up tokens, passes and coupons in safe and/or cabinet with bar lock. File shipping document and Metro Mail Order form. Retain for five years.

Procurement Services Responsibilities:

1. Receive Metro Mail Order form from Regional Offices.
2. Process the orders through the Auditor-Controller's Office
3. Provide a monthly report showing the total transit items ordered by each Regional Office to the Accounts Payable Section to assist with their reconciliations.

C. WHEN: PROCESSING REQUESTS FROM CSWs

Transportation Clerk/Cashier Responsibilities

1. Upon receipt of the DCFS 63, (original and one copy) with an attached copy of the court order (minute order) directing DCFS to provide a bus pass/token/coupon to the client. If there is no court order, attach a copy of the portions of the current case plan that deals with service objectives, client responsibilities and agency responsibilities. Check for appropriate signatures and required documentation (i.e., the DCFS 63 indicates whether the request for the transportation fares, is a court ordered/case plan activity or a non- court ordered/case plan activity.). Return DCFS 63 to CSW if DCFS 63 is incomplete, does not have appropriate signatures, or does not have the court order or case plan documentation attached.

NOTE: The following information must be annotated on the DCFS 63 by the CSW: objective; how many visits per week equals number of tokens/passes/coupons; if court ordered; if adult or youth is participating.

2. Remove tokens, passes and coupons from safe.

NOTE: No double issuances, e.g., bus pass and tokens for the same client – can be issued within same family to two different family members.

3. Annotate serial number, the type, and amount of tokens/passes/coupons on to DCFS 63.
4. Complete the required information on the applicable DCFS 62 (C, P, T) logs.
5. Place tokens/passes/coupons in envelope for each family/client.
6. Count out tokens/passes/coupons with CSW. The CSW will sign the DCFS 62. Sign and date DCFS 63.
7. Give envelope containing tokens/passes/coupons to CSW with original DCFS 63.
8. Receive original DCFS 63 with client's signature and date after the CSW has issued the tokens/passes/coupons to the client. Annotate the date the DCFS 63 was returned on DCFS 62. File the DCFS 62 with original DCFS 63 and retained for five years in designated office file.

NOTE: CSW will make copy of DCFS 63 to file in their case.

The signed DCFS 63 must be received within three workdays from the date the CSW receives the tokens/passes/coupons. The DCFS 63 and tokens/passes/coupons should be returned if not issued to the client within three workdays

9. E-mail appropriate Assistant Regional Administrator (ARA), if signed DCFS 63 original is not returned by 10th of the month from the CSW. Repeat this step on the 30th of the month, if applicable.
10. Receive any unused tokens/passes/coupons from CSW. Annotate return on DCFS 62 and DCFS 63. Lock up unused tokens, passes, coupons in safe.

D. WHEN: RETURNING UNUSED / DEFECTIVE PASSES / COUPONS TO ACCOUNTS PAYABLE UNIT

CA Designee/Clerical Supervisor Responsibilities

1. Gather and count unused / expired passes/stickers/tap cards/coupons and defective passes /tap cards from safe with Transportation Clerk present. Make sure that the passes being returned are bundled separately and labeled appropriately as unused or defective.

NOTE : Only send the unused/expired MTA EZ Passes / Stickers, Santa Clarita TAP Cards, and defective bus passes (MTA and Non-MTA) to Accounts Payable(AP) Unit. **Do not** return the unused MTA Regular, Student TAP Cards, and TAP Cards from other transit companies. These cards are valid for 12 months if not tapped or validated by user/client. These can be issued to the clients the following month.

All cash losses due to negotiable items that cannot be returned to AP should be reported on the DCFS 64(C, P, T) reports under Overage/Shortage.

2. Make three photocopies of all passes (Front and Back) being returned to AP. File the first copy and retained for five years in designated office file. Forward the second copy to Clerical Administrator. Send the third copy with the original cards being returned to DCFS AP Unit. (see Section E. Step 6).
3. Fill out the Malfunctioning Tap Cards Report (Form DCFS 6015) for the defective passes / taps / coupons. Complete all fields in the report to ensure the Department will obtain proper credit. Make two photocopies; first copy is filed and retained for

five years in designated office file. Forward the second copy to Clerical Administrator. The original completed form is sent to DCFS Accounts Payable Unit. (see Section E. Step 6).

E. WHEN: PREPARING RECONCILIATION REPORT

CA Designee/Clerical Supervisor Responsibilities

1. Meet with Transportation Clerk and complete inventory as to the coupons, passes, and tokens that are on hand.
2. Complete required information on the applicable DCFS 64C, DCFS 64P, DCFS 64T reports by using the DCFS 62C, DCFS 62P, DCFS 62T logs and the DCFS 65.

NOTE: If there are any questions in regards to the DCFS 64 (C, P, T) & DCFS 6015 reports, contact Accounts Payable at (213) 351-5717.

3. Sign and date the DCFS 64(s), and attach the DCFS 62(s). Give it to the CA's Assistant to review and sign/date. Forward to the CA to review, sign/date. The CA will give the forms to the RA/Designee to review, compare and sign off. Return the signed forms to the CA Designee/ Clerical Supervisor.
4. Complete the DCFS 6-1, Miscellaneous Transmittal (triplicate).
5. Make photocopies of DCFS 62(s) and DCFS 64(s) for the RA and each ARA, CA and Transportation Clerk. File copies. Retain for five years in designated office file.
6. Send original DCFS 64(s) with original DCFS 62(s), original DCFS 6015 (Malfunctioning Tap Cards Report), actual unused MTA EZ Passes/Stickers, Santa Clarita TAP Cards, defective MTA and Non-MTA Passes, Tap Cards, Coupons, along photocopies of the passes to be returned to:

DCFS - Accounts Payable
Attn: Bus Pass Reconciliation Desk
425 Shatto Place, Room 205
Los Angeles, CA 90020

NOTE: Each office must ensure that passes being returned to AP are bundled separately and labeled appropriately as damaged or unused.

7. Place documents and actual passes to be returned in envelope with return self-addressed envelope, attach original and one copy of DCFS 6-1 to outside of envelope. File second copy of DCFS 6-1. The documents are due to Accounts Payable by the 10th of the following month.
8. Receive signed DCFS 6-1 from Accounts Payable and discard file copy of DCFS 6-1. File signed DCFS 6-1 and retain for five years in designated office file.

Accounts Payable Staff Responsibilities

1. Review monthly reconciliation report received from various DCFS offices. If there are discrepancies, contact the offices to resolve the variances. Make a follow-up action when an office fails to submit their monthly reconciliation reports in a timely manner.
2. Complete DCFS 6015 Malfunctioning TAP Card Report for all received defective Regular and Student passes. Send the report once a month to the Travel Administrative Unit of the Auditor Controller for the issuance of the replacement card.

NOTE: The Travel Administrative Unit will work with MTA for the issuance of the replacement card.

3. Notify Procurement Services Section when the replacement cards are received.
4. Complete DCFS 6015 Malfunctioning TAP Card Report for all received defective MTA EZ Passes and Santa Clarita TAP Cards. Mail the report with the actual passes/tap cards by certified mail and return receipt to:

Xerox Services
707 Wilshire Blvd, Suite 1550
Los Angeles, CA 90017
Attn: Irvin Sims - (213) 438-6163

5. Receive return receipt and file. Retain for five years in file.
6. Send a copy of the completed DCFS 6015 and receipt by email to Stephen Godina

of the Auditor-Controller's Transportation Administration Unit.

NOTE: The Travel Administrative Unit will work with Xerox to issue equivalent credit for the returned defective cards. The credits will be reflected on the monthly billing to DCFS.

7. Reconcile Auditor-Controller's charges with DCFS documentation to ensure billings and credits to the Department are accurate. Any variances are resolve immediately.